

2019 Current Fiscal Year Report: Technology Advisory Committee

Report Run Date: 06/04/2019 11:47:51 PM

1. Department or Agency

Commodity Futures Trading Commission

2. Fiscal Year

2019

3. Committee or Subcommittee

Technology Advisory Committee

3b. GSA Committee No.

5305

4. Is this New During Fiscal Year?

No

5. Current Charter

09/21/2018

6. Expected Renewal Date

09/21/2020

7. Expected Term Date

8a. Was Terminated During Fiscal Year?

No

8b. Specific Termination Authority

8c. Actual Term Date

9. Agency Recommendation for Next Fiscal Year

Continue

10a. Legislation Req to Terminate?

Not Applicable

10b. Legislation Pending?

Not Applicable

11. Establishment Authority Agency Authority

12. Specific Establishment Authority

Commission vote

13. Effective Date

11/12/1999

14. Committee Type

Continuing

14c. Presidential?

No

15. Description of Committee Non Scientific Program Advisory Board

16a. Total Number of Reports

No Reports for this Fiscal Year

17a. Open 2 Meetings and Dates 17b. Closed 0 17c. Partially Closed 0 Other Activities 0 17d. Total 2

Purpose	Start	End
To hear presentations and actionable recommendations from select TAC subcommittees (potentially including Automated and Modern Trading Markets; Distributed Ledger Technology and Market Infrastructure; Virtual Currencies; and Cyber Security subcommittees); and discuss how RegTech is opening up the possibility of machine readable and executable regulatory rulebooks (i.e., Robo Rulebooks), as well as the potential role of regulators.	10/05/2018	10/05/2018
To hear presentations and actionable recommendations from the TAC subcommittees on Automated and Modern Trading Markets, Distributed Ledger Technology and Market Infrastructure, Virtual Currencies, and Cyber Security; and hear about research findings on automated orders in the futures and options markets from the CFTC's Division of Market Oversight.	03/27/2019	03/27/2019

Number of Committee Meetings Listed: 2

	Current FY	Next FY
18a(1). Personnel Pmts to Non-Federal Members	\$0.00	\$0.00
18a(2). Personnel Pmts to Federal Members	\$0.00	\$0.00
18a(3). Personnel Pmts to Federal Staff	\$0.00	\$0.00
18a(4). Personnel Pmts to Non-Member Consultants	\$0.00	\$0.00
18b(1). Travel and Per Diem to Non-Federal Members	\$0.00	\$0.00
18b(2). Travel and Per Diem to Federal Members	\$0.00	\$0.00

18b(3). Travel and Per Diem to Federal Staff	\$0.00	\$0.00
18b(4). Travel and Per Diem to Non-member Consultants	\$0.00	\$0.00
18c. Other(rents,user charges, graphics, printing, mail, etc.)	\$0.00	\$0.00
18d. Total	\$0.00	\$0.00
19. Federal Staff Support Years (FTE)	0.00	0.00

20a. How does the Committee accomplish its purpose?

The TAC was established to conduct public meetings, submit reports and recommendations to the Commission, and otherwise assist the Commission with identifying and understanding the impact and implications of technological innovation in the financial services and commodity markets. The TAC will continue to accomplish this purpose by providing advice on 1) the application and utilization of new technologies in the financial services and commodity markets and by market professionals and users; 2) the appropriate level of investment in technology at the Commission to meet its surveillance and enforcement responsibilities; and 3) the need for strategies to implement rules and regulations to support the Commission's mission of facilitating market-enhancing innovation and ensuring the integrity of the markets. This year, the TAC further fleshed out particular timely areas of technological innovation by recommending the creation of four substantive subcommittees, including: Virtual Currencies, DLT and Market Infrastructure, Cybersecurity, and Automated and Modern Trading Markets. Through subsequent creation of these subcommittees by the Commission, focused work has begun in generating actionable feedback and recommendations.

20b. How does the Committee balance its membership?

The Commission will continue to keep the TAC's membership balanced by appointing members representing a wide array of backgrounds, including those who represent industry, regulatory organizations, exchanges, academia, think tanks and/or public interest groups.

20c. How frequent and relevant are the Committee Meetings?

The TAC typically meets two to three times a year. The Commission continues to rely upon and benefit from the advice and recommendations of the TAC's members. The TAC's DFO also serves as the Director of the Commission's LabCFTC initiative, which is focused on facilitating market-enhancing FinTech innovation and ensuring that the Commission keeps pace with technology-driven changes in our markets. The DFO is therefore well-positioned to ensure the timeliness and relevance of the TAC agenda.

20d. Why can't the advice or information this committee provides be obtained elsewhere?

Developments in technology are having a continuing impact on the markets regulated by the CFTC and on the regulatory choices to be made by the agency. Recent innovations that may significantly impact our markets include BlockChain, Distributed Ledger Technology (DLT), Virtual Currencies, Artificial Intelligence / Machine Learning, and Cloud Computing. The TAC allows the Commission to be an active participant in market innovation, explore the appropriate investment in technology, and advise the Commission on the need for strategies to implement rules and regulations to support the Commission's mission of facilitating market-enhancing innovation and ensuring the integrity of the markets. By leveraging the expertise of the TAC Members and their particularized knowledge, the Commission can keep pace with rapidly developing technologies and business models in order to ensure open, transparent, competitive, and financially sound markets.

20e. Why is it necessary to close and/or partially closed committee meetings?

N/A

21. Remarks

Designated Federal Officer

Daniel Gorfine Director, LabCFTC

Committee Members	Start	End	Occupation	Member Designation
Barry, Erik	01/18/2018	10/16/2018	Head of Client Platform for Prime Derivative Services, Credit Suisse	Representative Member
Brady, Neal	02/13/2018	10/16/2018	Chief Executive Officer, Eris Exchange	Representative Member
Chattaway, Christopher	01/19/2018	10/16/2018	Managing Director, Goldman Sachs	Representative Member
Chou, Paul	01/14/2016	10/16/2018	Chief Executive officer and Co-Founder, LedgerX	Representative Member
Cooper, Charles	01/31/2018	10/16/2018	Managing Director, R3	Representative Member
DeWaal, Gary	01/16/2016	10/16/2018	Special Counsel, Katten Muchin Rosenman LLP	Representative Member
Durkin, Bryan	01/19/2016	10/16/2018	Chief Commercial Officer, CME Group	Representative Member
Gorelick, Richard	01/12/2018	10/16/2018	Head of Market Structure, RGM Advisors	Representative Member
Hehmeyer, Christopher	01/12/2018	10/16/2018	Managing Member, Hehmeyer Trading and Investments	Representative Member
Hoffman, Brenda	01/26/2018	10/16/2018	Senior Vice President and Head of Nasdaq's Global Technology U.S. Market Systems & Global Information Services, NASDAQ	Representative Member
Kapani, Mayur	02/09/2018	10/16/2018	Chief Technology Officer, ICE	Representative Member
Knight, Brian	01/16/2018	10/16/2018	Academia/Senior Research Fellow, GMU Mercatus Center	Special Government Employee (SGE) Member

Levy, Bradford	01/20/2016	10/16/2018	Managing Director and Chief Executive Officer, MarkitSERV	Representative Member
Llewellyn-Jones, Justin	01/19/2016	10/16/2018	Chief Operating Officer and Global Head of Derivatives, Fidessa	Representative Member
Lothian, John	01/16/2016	10/16/2018	President and Chief Executive Officer, John J. Lothian & Company, Inc.	Representative Member
Macdonald, Benjamin	01/19/2016	10/16/2018	Global Head of Product and President of Bloomberg SEF and Bloomberg SDR, Bloomberg	Representative Member
McHenry, Timothy	01/31/2018	10/16/2018	Vice President, Information Systems, NFA	Representative Member
Ocheret, Charles	01/18/2018	10/16/2018	Chief Innovation Officer, NEX Group	Representative Member
Olesky, Lee	01/14/2016	10/16/2018	Co-Founder and Chief Executive Officer, Tradeweb Markets LLC	Representative Member
Peve, Jennifer	01/17/2018	10/16/2018	Managing Director Business Development and Co-Head, Office of FinTech Strategy, DTCC	Representative Member
Rampell, Alex	01/17/2018	10/16/2018	Partner, Andreessen Horowitz	Representative Member
Randich, Steven	01/19/2018	10/16/2018	Executive Vice President and Chief Information Officer, FINRA	Representative Member
Singh, Gurjeet	02/14/2018	10/16/2018	Executive Chairman and Co-Founder, Ayasdi	Representative Member
Stein, Alexander	01/17/2018	10/16/2018	Managing Director, Two Sigma	Representative Member
Tabb, Larry	01/14/2016	10/16/2018	Founder and Chief Executive Officer, TABB Group	Representative Member
Trahan, Jeffrey	01/19/2016	10/16/2018	Vice President, Pension Fund and Investments, Deere and Company	Representative Member
VedBrat, Supurna	01/14/2016	10/16/2018	Managing Director & Co-Head E-trading and Market Structure, BlackRock	Representative Member
Yadav, Yesha	01/18/2018	10/16/2018	Academia/Professor of Law, Vanderbilt University	Special Government Employee (SGE) Member

Number of Committee Members Listed: 28

Narrative Description

The Commission's mission is to protect market users and the public from fraud, manipulation, abusive practices and systemic risk related to derivatives that are subject to the Commodity Exchange Act, and to foster responsible innovation and open, competitive, and financially sound markets. The TAC supports this mission and the agency's strategic plan by assisting the Commission with identifying and understanding the impact and implications of technological innovation in the financial services and commodity markets.

What are the most significant program outcomes associated with this committee?

Checked if Applies

Improvements to health or safety

☐

Trust in government

☒

Major policy changes

☐

Advance in scientific research

☐

Effective grant making	<input type="checkbox"/>
Improved service delivery	<input type="checkbox"/>
Increased customer satisfaction	<input type="checkbox"/>
Implementation of laws or regulatory requirements	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>

Outcome Comments

The TAC assists the Commission with identifying and understanding the impact and implications of technological innovation in the financial services and commodity markets, and also contributes to pending rulemakings, appropriate regulatory approaches, and policy considerations within the Commission. This past year's TAC efforts have also helped drive public trust in government given the Agency's proactive efforts to understand emerging opportunities, risks, and challenges.

What are the cost savings associated with this committee?

	Checked if Applies
None	<input type="checkbox"/>
Unable to Determine	<input checked="" type="checkbox"/>
Under \$100,000	<input type="checkbox"/>
\$100,000 - \$500,000	<input type="checkbox"/>
\$500,001 - \$1,000,000	<input type="checkbox"/>
\$1,000,001 - \$5,000,000	<input type="checkbox"/>
\$5,000,001 - \$10,000,000	<input type="checkbox"/>
Over \$10,000,000	<input type="checkbox"/>
Cost Savings Other	<input type="checkbox"/>

Cost Savings Comments

N/A

What is the approximate Number of recommendations produced by this committee for the life of the committee?

4

Number of Recommendations Comments

The TAC formally recommended the creation of four substantive subcommittees that would pursue specific work streams under the guidance of the TAC. The recommended subcommittees include: Virtual Currencies, DLT and Market Infrastructure, Cybersecurity, and Automated and Modern Trading Markets. These subcommittees were subsequently created and populated with Members by the Commission, and have begun work intended

to drive recommendations and feedback for TAC consideration.

What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?

100%

% of Recommendations Fully Implemented Comments

The TAC recommended the creation of four substantive subcommittees; the Commission adopted 100% of these recommendations.

What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?

0%

% of Recommendations Partially Implemented Comments

N/A

Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?

Yes ☐ No ☐ Not Applicable ☒

Agency Feedback Comments

The Commission did not provide formal feedback as the recommendations called for the straightforward creation of four substantive subcommittees focused on pursuing relevant work streams.

What other actions has the agency taken as a result of the committee's advice or recommendation?

Checked if Applies

Reorganized Priorities	<input type="checkbox"/>
Reallocated resources	<input type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

Action Comments

As a result of the formal recommendations by the TAC and the creation of the four subcommittees, the Commission is now looking to the subcommittees, especially

regarding virtual currencies and automated trading, to make recommendations to the TAC that will help inform subsequent actionable recommendations by the TAC to the Commission; these recommendations may involve related policy and regulatory recommendations.

Is the Committee engaged in the review of applications for grants?

No

Grant Review Comments

N/A

How is access provided to the information for the Committee's documentation?

Checked if Applies

Contact DFO	<input type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input type="checkbox"/>
Online GSA FACA Web Site	<input checked="" type="checkbox"/>
Publications	<input type="checkbox"/>
Other	<input type="checkbox"/>

Access Comments

N/A